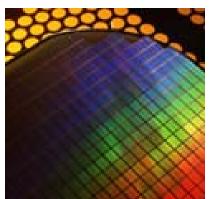
Low Cost Hydrogen Production Platform

Cooperative Agreement: DE-FC36-01GO11004





Timothy M. Aaron

Team

Praxair - Tonawanda, NY Boothroyd-Dewhurst - Wakefield, RI Diversified Manufacturing - Lockport, NY



DOE Hydrogen Annual Review Meeting May 24 - 27, 2004

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Objectives - LCHPP Program

- Low Cost On-Site Production of Hydrogen
 - Existing Technologies (SMR)
 - Transportation & Industrial (1,000 5,000 scfh) (2.4 12 kg/h)
- Year in Review
 - Completed Phase I 05/03
 - Preliminary Design
 - Economic Models & Business Cases
 - Started Phase II 10/03
 - Detail Design & Engineering of System
 - Computer Simulations & Modeling
 - System Optimization
 - Component Testing
 - Update of Cost Models



Budget - LCHPP Program

- Phase I (10/01 04/03) Completed
 - Total Cost: \$341,848
 - Cost Share: 67% DOE, 33% Praxair
 - FY2003 Funds (10/02 09/03) \$220,643
- Phase II (10/03 05/05) In Progress
 - Estimated Cost: \$1,989,933
 - Cost Share: 50/50 DOE/Praxair
 - FY2003 Funds (10/02 09/03) \$0
 - FY2004 Estimated Funds (10/03 09/04) \$975,000
- Phase III (06/05 12/06)
 - TBD



Technical Barriers & Targets

DOE Technical Barriers

- A. Fuel Processor Capital Costs
- B. Operation and Maintenance (O&M) Costs
- C. Feedstock and Water Issues
- E. Control and Safety
- Z. Catalysts
- AB. Hydrogen Separation and Purification

DOE Technical Targets (w/o Comp, Storage & Dispensing)

- Cost Targets (\$/kg H2)
 - **2003 4.34**
 - **2005 2.44**
 - **2010 1.06**

- Primary Energy Efficiency
 - **2003 62%**
 - **2005 68%**
 - **2010 75%**

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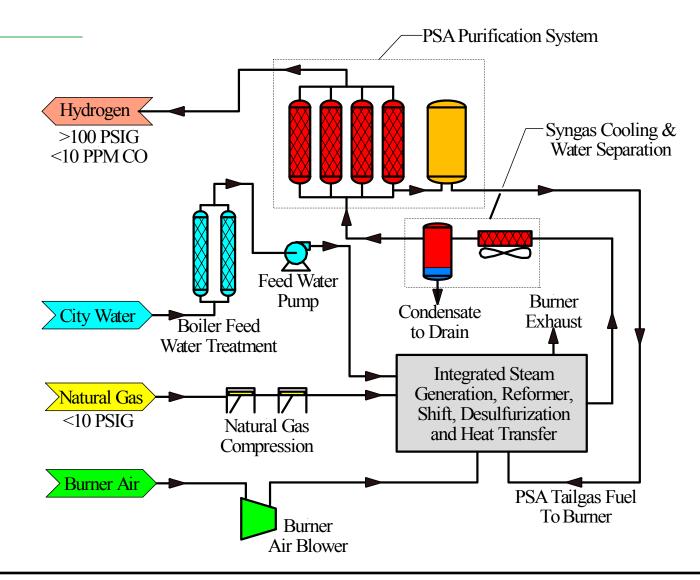
Approach

Develop Small SMR Based Hydrogen System

- Phase I (Completed)
 - Preliminary Design & Techno-Economic Study
- Phase II (10/03 05/05)
 - Detail Design & Optimization
 - Increase System Efficiency
 - Lower Capital Cost
 - Comply/Develop Safety & Design Standards
 - Component Modeling & Testing
 - Catalyst Analysis
 - Economic Model Updates
- Phase III (06/05 12/06)
 - Prototype System



LCHPP - Skid Process Flow





High Temperature Component

Functions

- Natural Gas Pre-Heat
- Desulfurization
- Reforming
- Water-Gas Shift Reactor
- Steam Generation & Superheat
- Combustion
- Air/Exhaust/Process Heat Exchange
- Syngas Cooling

Design

- DFMA
- Highly Integrated
- Welded Construction







Design Safety

- Risk Analysis Completed in Phase I
- Full HAZOP Review of System Will be Performed
- All Applicable Standards Will Be Followed
 - NEC
 - NFPA
 - ISO
 - Praxair Design Standards & Procedures
- Member of ISO Technical Committee 197 WG 9
 - ISO 16110-1 & 2: Hydrogen generators using fuel processing technologies
 - Part 1: Safety
 - ◆ Part 2: Performance



Project Timeline

	_					
2002	2003	2004	2005		2006	
Phase I		Phase II	Phase III			
1 2		3 4	5 6 7	8	9	10

Phase I - Preliminary Design

- 1. Preliminary Component & System Design
- 2. Techno-Economic Study

Phase II - Detail Design & Optimization

- 3. Detail Design & Computer Models
- 4. Construct Test Apparatus
- Component Testing
- 6. Update System Design and Economic Models

Phase III - Prototype System

- 7. Complete Prototype Design
- 8. Build Prototype System
- 9. Verify System Performance & Update Economics
- 10. Commercialize System

Phase I Review - System Design

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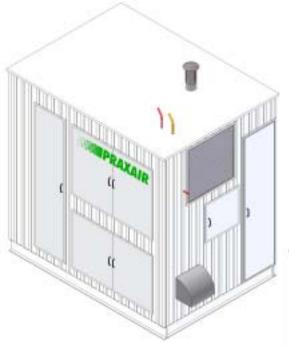


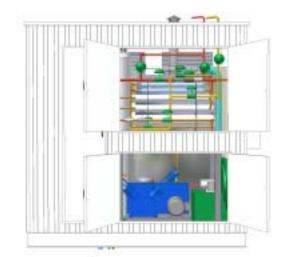
Compact, Single Skid

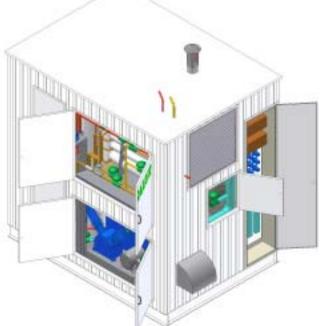
Easily Installed

Welded Construction

Highly Integrated











Technical Progress (04/03 - 04/04)

Phase I Completed

- Preferred Design Chosen
- Report & Phase II Proposal

Phase II (Started 10/03)

- Detail Design of System
 - Process & Instrumentation Diagram
 - Process Computer Simulations
 - Startup, Operating & Shutdown
 - Material Selection & Mechanical Stress Models
 - Component Modeling & Testing
 - Component Test Plan
 - Design of Test Apparatus
 - Catalyst Modeling & Testing



Technical Accomplishments

Design

- Completed Detail Design of High Temp Component
 - Drawings
 - Process Models
- Optimized System
 - Reduced Mass of System
 - Reduced Parts & Assembly Complexity
 - Increased Thermal Efficiency
 - Increased Primary Energy Efficiency
 - Reduced Product Cost



LCHPP - System Cost Model Parameters

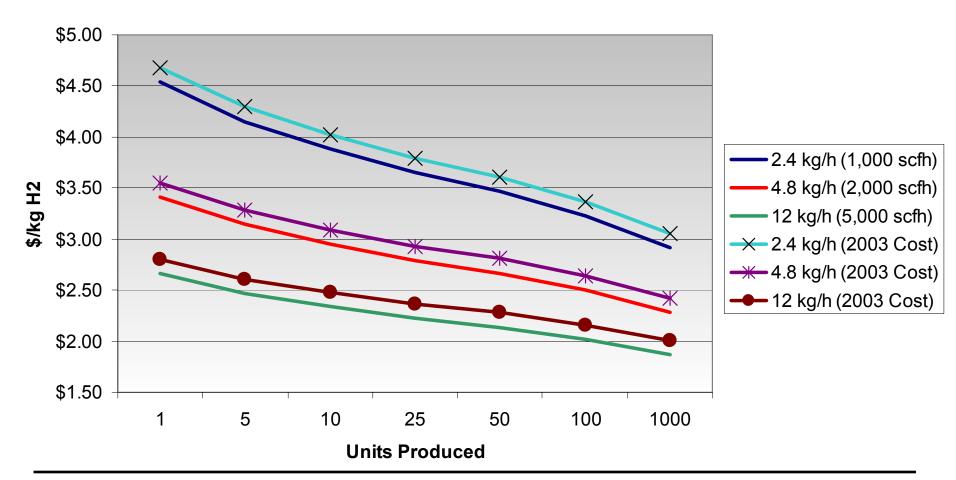
Cost Model Assumptions

- Power \$0.05 \$/kWh
- Natural Gas \$4.00 \$/MMBtu, HHV
- Water \$2.50 per 1,000 Gallon
- Capital Recovery Factor 15% Return, 15 Yr Life
- On-Stream Factor 80%
- Contingency 10%
- M&R 3% of Capital
- Site Labor
 - 15% @ 1 Unit ===> 2% @ 1000 Units



Technical Accomplishments | Cost of Hydrogen

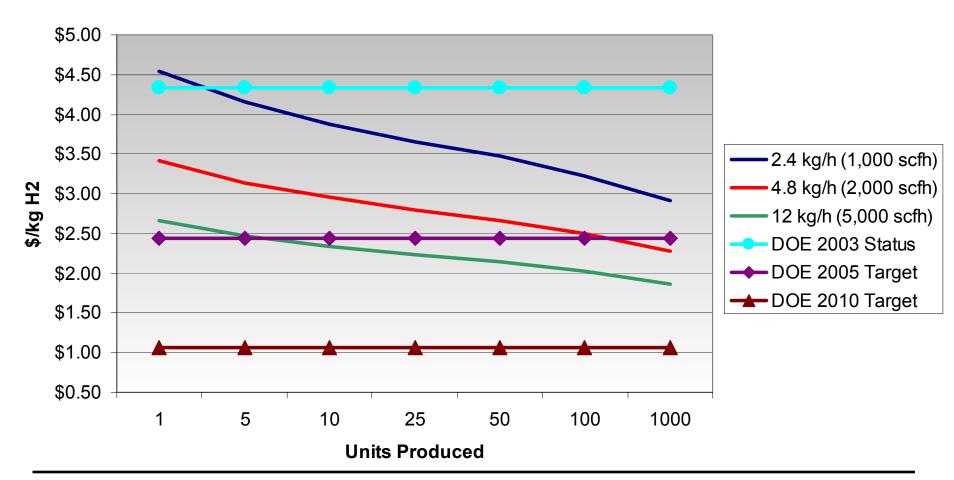
H2 Cost vs Units Produced and H2 Flowrate





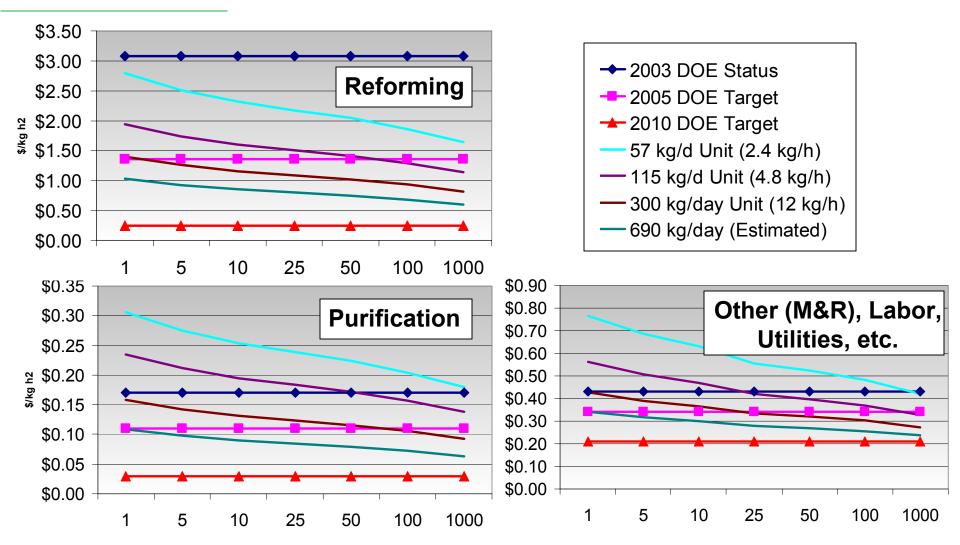
Technical Accomplishments | DOE Program Goals

H2 Cost vs Units Produced and H2 Flowrate





Technical Accomplishments | DOE Program Goals (H2 Cost vs. Units Produced)



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LCHPP - Future Work

Verification of Results to Date

- Modeling & Simulations
 - Heat Transfer
 - Fluid Dynamics
 - Reaction Kinetics
 - Burner Design
- Testing
 - Components
 - Catalysts
 - Water Treatment
 - Etc.
- Maintain / Reduce Cost of Product
 - DFMA Techniques
 - Material Selection
 - Process Optimization



Phase II Cooperative Efforts

- Praxair
 - Overall Lead
- Boothroyd-Dewhurst
 - System Optimization
 - Cost Reduction / Estimating



- Manufacturing
- Prototype Development
- Computer Modeling
 - Reformer / Shift Design
 - Burner Design
 - Heat Transfer









LCHPP - Interactions & Collaborations



- Society of Automotive Engineers (SAE)
 - Paper & Presentation (October 2003)
 - DFMA Approach to Reducing the Cost of Hydrogen Produced from Natural Gas
- The 2003 Hydrogen Production & Storage Forum (Washington, D.C.)
 - Presentation & Roundtable Discussion (December 2003)
 - Using DFMA to Reduce the Cost of Hydrogen from Small Steam Methane Reformer Based Systems
- ISO Technical Committee 197 WG 9 (Member)
 - ISO 16110-1 & 2: Hydrogen generators using fuel processing technologies



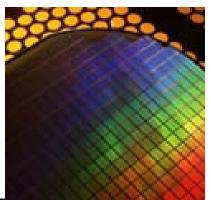
2003 Reviewers' Comments

- Project would benefit if Compression, Storage & Dispensing Included in Scope of design
 - Praxair/DOE Projects With This Scope
 - GEERC
 - LAX Fueling Station
 - These Projects are being monitored & assessed for Integration potential
- Does not address Codes & Standards Issues
 - Member of ISO committee related to applicable Standard
 - Praxair has Representation on many Standards Committees related to hydrogen production & plant citing
- Techno-Economic Study should be done only after system concept has been proved
 - Economic model is relatively easy and cost effective to develop and results in an understanding of the system potential. Proof of concept requires a test program and significant resources that would not be expended if economics did not warrant the development effort.

Low Cost Hydrogen Production Platform

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Questions?



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